

Mills Act Savings Estimator

Property Address: _____ 1141 Poli STreet _____

Current Assessed Value:	\$384,326
Property Tax: <small>Use Assessed Value x .0104 for this worksheet *</small>	\$3,996.99

ESTIMATE ANNUAL INCOME

Gross Income <small>Monthly rent x 12, or market rate per sq.ft. x sq.ft. x 12</small>	\$ 48,000.00
Deduct 25% expenses *	\$12,000
<u>Net Income:</u>	\$36,000

DETERMINE CAPITALIZATION RATE

Interest Component (current year) <small>Determined by State Board of Equalization each year</small>	2.75% (2022)
Historic Property Risk Component <small>4% for single family, 2% for all other</small>	4%
Property Tax Rate <small>Use 1.04% *</small>	1.04%
Amoritization component <small>(Improvement Value / Land Value) x .03 Improvement and Land Value found on tax bill</small>	0.01%
<u>Capitilization Rate (sum of above):</u>	7.80%

ESTIMATED MILLS ACT VALUATION

<u>Annual Net Income / Capitalization Rate =</u>	\$461,538
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ESTIMATED TAX REDUCTION

Property Tax <small>Calculation from top of sheet *</small>	\$3,996.99
Subtract Mills Act Taxes <small>Mills Act Value x 0.0104 *</small>	\$ 4,800.00
= <u>Potential Mills Act Savings:</u> <small>Total, multiply by 16% for impact to City</small>	\$803.01

This is used for estimating the tax savings of the 1st year of a Mills Act contract. Actual savings will be the result of Assessor calculations and will differ. Should you choose to do so you may use real figures for all of the boxes marked with a * rather than the estimate figures.